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## News from State Auditor Ed Hatchett's Office

### **Hatchett Releases Audit of Former Marshall County Sheriff's Tax Settlement**

(Frankfort) State Auditor Ed Hatchett has released his audit of the 1997 tax settlement of former Marshall County Sheriff Brian Roy. As Auditor of Public Accounts, Hatchett is responsible for auditing the accounts and financial transactions of Kentucky's county governments and state agencies. State law requires annual audits of sheriffs' tax settlements.

The audit contains the following comments:

- Former Sheriff Roy should have deposited all public funds received into his official bank account on a daily basis as required by 45 KAR 1.070.
- Former Sheriff Roy's official bank account was not adequately secured by pledges of securities as collateral under provisions of KRS 66.480(1)(d) and KRS 41.240(4). Furthermore, former Sheriff Roy should have complied with federal law 12 U.S.C.A. § 1823(e), which requires a written agreement between the Sheriff and the depository institution to protect taxpayer deposits.
- Former Sheriff Roy should have paid investment earnings to the School District on a monthly basis as required by KRS 134.140.

Please refer to pages 8 and 9 of the attached audit report for further details.

The Sheriff is responsible for collecting taxes related to real estate, personal property, bank stock, fire protection and public service corporation property on behalf of the state, county, schools and special taxing districts.

The audit found that the Sheriff's financial statements fairly present the taxes charged, credited and paid in conformity with the prescribed cash basis of accounting.